

# House Watch

A summary of today's House actions;  
published daily when the House is in session.



4/9/08

## MESSAGES FROM THE SENATE

[HB 5344](#)

(Cushingberry)

Multi-department supplemental appropriations for for fiscal year 2007-2008.

- The House did not concur in the Senate substitute S-1 [RC 244: 40 yes, 67 no]

[HB 5531](#)

(Gillard)

Supplemental school aid appropriations for fiscal year 2007-2008.

- The House did not concur in the Senate substitute S-1 [RC 245: 44 yes, 63 no]

## FINAL PASSAGE

[SB 192](#)

(Barcia)

The bill would amend Public Act 133 of 1955 to do all of the following:

- Refer specifically to performing service in the Armed Forces or National Guard in a provision prohibiting an employer from denying an employee's request for a leave of absence for military service.
- Require an employer to reemploy an employee following service if he or she reported to work or applied within 45 days after service, or within 90 days after service if it were for more than 180 days, rather than if he or she applies for employment within 15 days.
- Revise the Act's priorities for reemployment.
- Provide that an employee would not be entitled to reemployment if he or she were absent for an uninterrupted period of five years, rather than a cumulative period of five years.
- Allow a qualified employee who was denied reemployment to file a civil action, and require his or her reinstatement and payment of his or her attorney fees.

- SB 192 was passed [RC 246: 107 yes, 0 no]
- IE was ordered

**SB 1157****(Switalski)**

The bill would amend the Michigan Higher Education Assistance Authority (MHEAA) statute to allow the Authority to use money from the Michigan Guaranty Agency's operating fund for the State Competitive Scholarship Program. The bill would impose two conditions on the use of the money: 1) The money could be used only in the State fiscal year 2007-08; and 2) the use of the money would have to be allowed under Federal law.

- SB 1157 was passed [RC 247: 107 yes, 0 no]
- IE was ordered

**HB 5895****(Clemente)**

The bills would amend two acts to make additional facilities eligible for existing property tax exemptions. The facilities would include major distribution and logistics facilities, headquarters facilities, competitive edge technology businesses, information technology facilities, and certain businesses that are currently eligible for business tax credits under the Michigan Economic Growth Authority Act. House Bill 5895 would amend the Plant Rehabilitation District and Industrial Development Act, commonly known as PA 198, under which property tax abatements can be granted by local units of government to new and speculative buildings and to replacement facilities. Abatements are available on a facility (but not the land) for up to 12 years, by allowing a firm to pay a lower "specific" tax instead of regular property taxes. The specific tax is roughly one-half of the standard property tax for a new facility. For a rehabilitated facility, the tax is based on the value of property prior to renovation. Approval is first required by a local unit of government and subsequently by the State Tax Commission, which checks to see if the law has been followed properly. The bill would make those facilities listed earlier eligible for these abatements.

- Committee substitute H-1 was adopted
- HB 5895 advanced to 3<sup>rd</sup> Reading
- HB 5895 was passed [RC 248: 107 yes, 0 no]
- IE was ordered

**HB 5896****(Clemente)**

The bills would amend two acts to make additional facilities eligible for existing property tax exemptions. The facilities would include major distribution and logistics facilities, headquarters facilities, competitive edge technology businesses, information technology facilities, and certain businesses that are currently eligible for business tax credits under the Michigan Economic Growth Authority Act. House Bill 5896 would amend a section of the General Property Tax Act that allows local assessing districts in certain distressed areas to adopt a resolution exempting from taxation new personal property owned or leased by certain eligible businesses. To be eligible for the property tax exemption currently, a business must be engaged primarily in manufacturing, mining, research and development, wholesale trade, or office operations. Additionally, the business must be located within an industrial development district, renaissance zone, enterprise zone, brownfield redevelopment zone, empowerment zone, tax increment

financing district, or downtown development district within a city, village, or township that contains a "distressed area," as that term is defined under the State Housing Development Authority Act. The bill would make these additional facilities eligible for this property tax exemption, and would expand other eligibility criteria

- HB 5896 advanced to 3<sup>rd</sup> Reading
- HB 5896 was passed [RC 249: 107 yes, 0 no]
- IE was ordered

## THIRD READING

### HB 5780

(Miller)

House Bill 5780 would amend the Michigan Strategic Fund Act (MCL 125.2011) to specify that the board of the Michigan Strategic Fund could not approve a request for assistance for a project on an economic development project, or a loan or grant under Chapter 8A—the 21st Century Jobs Program—unless the applicant agrees in writing not to hire, or contract with any business entity that hires, an individual who is not authorized under federal law to work in the United States and that the applicant will comply in good faith with the verification requirement of federal law to ensure that all employees hired by the applicant or employees of any contractors hired by the applicant are authorized to work in the U.S.

- Committee substitute H-1 was adopted
- LaJoy-2 was adopted
- Miller-3 was adopted
- HB 5780 advanced to 3<sup>rd</sup> Reading

### HB 5781

(Meisner)

House Bill 5781 would amend the Brownfield Redevelopment Financing Act (MCL 125.2665), which allows the use of tax increment financing revenues to engage in cleanup and development activities at contaminated sites. It would prohibit a brownfield authority from using tax increment revenues to pay or reimburse a business entity for eligible activities on eligible properties unless the business agrees in writing that it will not hire or contract with any business entity that hires an individual who is not authorized under federal law to work in the United States and that the eligible business will comply in good faith with the verification requirement of federal law to ensure that all employees hired by the applicant or employees of any contractors hired by the applicant are authorized to work in the U.S.

- Committee substitute H-1 was adopted
- Miller-2 was adopted
- LaJoy-3 was adopted
- HB 5781 advanced to 3<sup>rd</sup> Reading

### **HB 5782**

**(Meadows)**

House Bill 5782 would amend the Management and Budget Act (MCL18.1241a) so that the DMB would have to require each contract entered into for construction, alteration, repair, or rebuilding of a state building or other state property to contain a clause requiring that 100 percent of the persons working on the project and employed by the contractor and subcontractors be Michigan residents for one year before beginning work. (The current requirement is 50 percent). The percentage could be reduced or the clause omitted to the extent that residents are not available or to the extent necessary to comply with regulations attached to federal funds. (The requirement does not apply to employers who are parties to collective bargaining agreements that allow for the portability of employees on an interstate basis.)

- Wenke-1 was not adopted
- HB 5782 advanced to 3<sup>rd</sup> Reading

### **HB 5783**

**(Ebli)**

House Bill 5783 would amend the Management and Budget Act (MCL 18.1264) to allow the DMB to debar a vendor from participating in the bidding process and from the award of contracts upon a finding that the vendor has allowed an individual who is not authorized to work in the United States to perform work under the contract and has failed to comply with federal verification requirements; or that the vendor has violated the prevailing wage in state contracts law. The DMB would have to include a contract clause requiring the contractor to allow only individuals authorized to work in the U.S. to perform services under the contract and a clause stating that the contractor will not violate prevailing wage laws, if applicable, in each contract it enters into that includes services. The contract would have to provide the following remedies for violations: (1) the contractor could not receive further payments under the contract; (2) the contractor may be required to return payments already received; (3) the department could cancel the contract and hold the contractor responsible for any additional costs incurred in rebidding the contract; and (4) the contractor could be debarred from receiving future state contracts.

- Committee substitute H-1 was adopted
- LaJoy-2 was adopted
- HB 5783 advanced to 3<sup>rd</sup> Reading

### **HB 5784**

**(Dean)**

House Bill 5784 is a complementary bill that would require that no later than February 1 of each year, the DMB must report to the board of the MSF on these contracts, with the report to contain (1) the number of Michigan residents employed in new jobs from the construction, alteration, repair, or rebuilding of a state building or other state property in the immediately preceding year; (2) the number of new jobs created from the construction, alteration, repair, or rebuilding of a state building or other state property; and (3) the specific reason for each extension or omission granted to the residency requirement.

- HB 5784 advanced to 3<sup>rd</sup> Reading

**HB 5785****(Simpson)**

House Bill 5785 would amend the Michigan Renaissance Zone Act (MCL 125.2695 and 2696) to require the State Administrative Board or the MSF (whichever was applicable) when designating a renaissance zone to give preference to an applicant for renaissance zone status (if all other considerations are equal) if the applicant agrees in writing to: (1) hire only residents of Michigan to operate a facility in a renaissance zone, unless the board or MSF determines the facility cannot be operated using only state residents; and (2) contract with businesses that hire only Michigan residents to construct a facility in the zone, unless it could not be constructed with only state residents.

- Committee substitute H-1 was adopted
- LaJoy-2 was adopted
- HB 5785 advanced to 3<sup>rd</sup> Reading

**HB 5786****(Brown)**

House Bill 5786 would amend the Michigan Economic Growth Authority Act (MCL 207.808 and 810) to prohibit MEGA from entering into a written agreement with an eligible business unless the eligible business states in writing that it will not hire or contract with any business entity that hires an individual who is not authorized under federal law to work in the United States and that the eligible business will comply in good faith with the verification requirement of federal law to ensure that all employees hired by the applicant or employees of any contractors hired by the applicant are authorized to work in the U.S.

- Committee substitute H-1 was adopted
- LaJoy-2 was adopted
- Miller-3 was adopted
- HB 5786 advanced to 3<sup>rd</sup> Reading

**HB 5787****(Corriveau)**

House Bill 5787 would amend the Michigan Business Tax Act (MCL 208.1435) to require the Michigan Historical Center to give preference to an applicant for an historic preservation credit if the applicant agrees in writing to (1) hire only residents of Michigan to assist in the rehabilitation of a historic resource, unless the Center determines that it cannot be completed using only state residents; and (2) contract with businesses that agree to hire only Michigan residents to assist in the rehabilitation, unless the Center determines otherwise.

- Committee substitute H-3 was adopted
- LaJoy-2 was adopted
- HB 5787 advanced to 3<sup>rd</sup> Reading

**HB 5788****(LeBlanc)**

House Bill 5788 would amend the Obsolete Property Rehabilitation Act (MCL 125.2788) to prohibit a local unit of government from approving an application for an obsolete property exemption certificate (for a property tax abatement) unless the applicant promises in writing not to hire or contract with any business entity that hires an individual who is not authorized under federal law to work in the U.S. and promises that the eligible business will comply with federal verification requirements to ensure that all employees are authorized to work in the U.S.

- Committee substitute H-1 was adopted
- Miller-2 was adopted
- LaJoy-3 was adopted
- HB 5788 advanced to 3<sup>rd</sup> Reading

**HB 5789****(Constan)**

House Bill 5789 would amend the Industrial Development Revenue Bond Act (MCL 125.1255a) to prohibit a municipality from issuing bonds to construct, improve, or finance improvements to industrial buildings unless the applicant agrees in writing not to hire or contract with any business entity that hires an individual who is not authorized under federal law to work in the U.S. and promises that the eligible business will comply with federal verification requirements to ensure that all employees are authorized to work in the U.S.

- Committee substitute H-1 was adopted
- Miller-2 was adopted
- Amendment-3 was adopted
- HB 5789 advanced to 3<sup>rd</sup> Reading

**HB 5790****(Scott)**

House Bill 5790 would amend the Plant Rehabilitation and Industrial Development Districts Act, commonly referred to as PA 198, (MCL 207.554) so that a local governmental unit could not approve an application for an industrial facilities exemption certificate (a PA 198 certificate for a property tax abatement) unless the applicant promises in writing not to hire or contract with any business entity that hires an individual who is not authorized under federal law to work in the U.S. and promises that the eligible business will comply with federal verification requirements to ensure that all employees are authorized to work in the U.S.

- Committee substitute H-1 was adopted
- Miller-2 was adopted
- LaJoy-3 was adopted
- HB 5790 advanced to 3<sup>rd</sup> Reading

**HB 5791****(Donigan)**

House Bill 5791 would amend the Transportation Economic Development Fund Law, PA 231 of 1987, (MCL 247.913) to prohibit the use of any proceeds from the Fund for a project unless the applicant agrees in writing not to hire or contract with any business entity that hires an individual who is not authorized under federal law to work in the U.S. and promises that the eligible business will comply in good faith with applicable federal verification requirements. Proceeds from the Fund could also not be used on a project unless the applicant promises in writing not to violate the prevailing-wage-on-state-projects requirements of Public Act 166 of 1965.

- Committee substitute H-1 was adopted
- LaJoy-2 was adopted
- HB 5791 advanced to 3<sup>rd</sup> Reading

## MOTIONS AND RESOLUTIONS

**HB 5137****(Hoogendyke)**

Create searchable database listing all state expenditures.

- Motion to discharge HB 5137 from committee was approved [RC 250: 98 yes, 7 no]
- HB 5137 was referred Appropriations Committee

**HB 5083****(Meltzer)**

Provide for expenditure reporting requirements for school districts.

- Motion to discharge HB 5083 from committee was not adopted

**HB 5084****(Amos)**

Revise expenditure reporting requirements for ISDs.

- Motion to discharge HB 5084 from committee was approved [RC 251: 95 yes, 10 no]
- HB 5084 was referred to Appropriations Committee